

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 100 Section 100.2180 Credit for Residential Real Property Taxes (IITA 208)</b>
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**TITLE 86: REVENUE**

**PART 100  
INCOME TAX**

**Section 100.2180 Credit for Residential Real Property Taxes (IITA 208)**

- a) *Beginning with tax years ending on or after December 31, 1991, every individual taxpayer shall be entitled to a tax credit equal to 5% of real property taxes paid by such taxpayer during the taxable year on the principal residence of the taxpayer. In the case of multi-unit or multi-use structures and farm dwellings, the taxes on the taxpayer's principal residence shall be that portion of the total taxes which is attributable to such principal residence (IITA Section 208).*
- b) A taxpayer will qualify for the property tax credit if:
  - 1) the taxpayer's principal residence during the year preceding the tax year at issue was in Illinois, and
  - 2) the taxpayer owned the residence, and
  - 3) the property tax billed in the tax year at issue has been paid. This is the amount paid after factoring in any applicable exemptions.
- c) The credit may be based on the entire property tax bill if:
  - 1) the taxpayer lived in the same residence during all of the year preceding the tax year at issue, and
  - 2) the tax bill included property used only for the taxpayer's personal residence, yard, garage, or other structure used for personal purposes. If the property tax bill included not only taxpayer's personal residence, but also business, rental, or farm property, that credit may be calculated only on that portion of the property tax bill that is for the personal residence. The credit may not be taken for a vacation home.
  - 3) Credit may not be taken for mobile home privilege tax.
- d) If taxpayer sold a principal residence in the year preceding the tax year at issue, he or she may not take a credit for the tax year at issue. In such a situation, taxpayer will not have paid property taxes during the taxable year on his principal residence. Property taxes in Illinois are assessed on a property in one year and paid in the next year. In other words, in 1994 taxpayers pay 1993 taxes. In order to qualify for the credit

granted by IITA Section 208 during 1994, a taxpayer must have ownership of an Illinois principal residence during 1993. An amount representing property taxes for the period of ownership of the taxpayer in the year preceding the tax year at issue will have been paid to the buyer of the taxpayer's former residence. Therefore, taxpayer will be authorized to take an additional amount of credit for property taxes paid to buyer upon sale of the residence in the year preceding the tax year at issue, but will have no credit in the subsequent year.

EXAMPLE: Taxpayer A sells his principal residence to B on July 1, 1991. Taxpayer A owned and resided in the principal residence for all of 1990, and for the first 6 months on 1991. Taxpayer A is entitled to a credit for residential real property taxes on his 1991 return in an amount equal to the amount of 1990 taxes paid in 1991. In addition, Taxpayer A is entitled to a credit for 6 months of the 1991 taxes which were paid over to B upon sale of the principal residence on July 1, 1991. Taxpayer A is not entitled to a credit for property taxes paid on this property on his 1992 return because no taxes were paid on this residence in 1992. However, if Taxpayer A bought another residence in 1991, Taxpayer A may calculate a credit for that portion of 1991 during which he owned and lived at the new property.

(Source: Added at 19 Ill. Reg. 1839, effective February 6, 1995)